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http://www.kokomotribune.com/opinion/editorial-don-t-believe-the-hype/article_b06d3a54-2aaa-11e6-bf1f-876d204fccf0.html

Editorial: Don't believe the hype

Kokomo Tribune Editorial Board

THE ISSUE

Pew Research Center releases report saying Kokomo metro area has largest wage drop in the country.

OUR VIEW

Listen to the experts: This figure doesn't tell the whole story.

In Other News: Motor Mobility: Automakers Reinvent Themselves

The fact released Tuesday in a report by the Pew Research Center that the Kokomo metro area had the largest wage drop in the entire country between 2000 and 2015 certainly didn't sound like good news on the face of it. Removed from any context, this figure certainly sounded scary.

But, before we trumpeted that number, though, we thought it was important to paint the whole picture. So, in addition to deputy mayor David Tharp, we also called Michael J. Hicks, director of the Center for Business and Economic Research and a professor of economics at Ball State University, and Alan Krabbenhoft, IU Kokomo business school dean. All

three told us what we already suspected: This report by itself doesn't tell the whole story.

The title of the report should be the first clue: "Oil and gas boom feeds greatest real wage growth in U.S., but will it last?" Clearly, the focus of this report has nothing to do with our major employers in the automobile manufacturing sector. From there, a dive into the basis for this pronouncement is reductive. As Krabbenhoft pointed out, the data was culled from the Bureau of Labor Statistics, with the average weekly wages being calculated by dividing quarterly total wages for the area by the average total employment for the quarter. These are just two numbers. Also, consider the fact that the years this covers were particularly brutal for our major employers. During the peak years of the auto industry boom, we boasted some of the highest wages in the state. Any drop from that position will seem catastrophic if taken by itself.

We have been clawing our way back for the past few years, but certainly we could be doing better. There's no question about that. But, it could have been much, much worse. Imagine if the Great Recession was instead a new depression. Or, consider what would have happened if the auto industry had been allowed to fall flat on its face. Then, we'd really have something to worry about.